

Business Opportunities with the EBRD

by Alice Davenport, Senior Commercial Officer, US Commercial Service Liaison to the EBRD

On November 22, 2004 AmCham Members had the opportunity to have one-on-one meetings with Alice Davenport in AmCham Office and learn how to do business with the European Bank for Reconstruction and Development (EBRD).

Q: What exactly is the EBRD?

The European Bank for Reconstruction and Development was set up in 1991 to foster the transition from centrally planned to market economies in 27 former communist countries in central, eastern and south eastern Europe and the Commonwealth of Independent States. The EBRD is the largest single investor in the region and mobilizes significant foreign direct investment beyond its own financing. Since its foundation the Bank has invested more than €23 billion and mobilized an additional amount of more than €45 billion. The EBRD is owned by 60 countries and two intergovernmental institutions with the US as its largest single shareholder. The mandate of the EBRD stipulates that it must only work in countries that are committed to democratic principles. Respect for the environment is part of the strong corporate governance attached to all EBRD investments.

Q: What is the role of the US Commercial Service Liaison Office at the EBRD?

The US Commercial Service Liaison Office at the EBRD is an integral part of the U.S. Government presence at the Bank. As Senior Commercial Officer, my function is similar to that of a Commercial Attache at US Embassy abroad. The mandate of my office is to help US companies do business with the EBRD, and one of the most important ways we reach out to U.S. companies is by working through partners like AmCham Croatia. You can learn more about my office by checking our website www.buyusa.gov/ebrd. This website is full of tips for US companies which want to do business with the EBRD. We also work closely with the Senior Commercial Officer Tom Kelsey and his staff in the Commercial Section of the US Embassy, Zagreb.

Q: What kinds of projects has the Bank financed in Croatia?

The EBRD has been active in Croatia since 1994 and invested some €1.3 billion. The Bank expects to sign another €350 million in the next two years. The principal sectors of operations are: financial institutions 42 per cent, public services and utilities 43 per cent, food and beverages 9 per cent and pharmaceutical 6 per cent. Apart from significant investments in a number of banks, the EBRD has in Croatia also invested in, for example, the cement producer Našicecement, the pharmaceutical company Pliva, the dairy producer Lura and important infrastructure projects. For a full list of projects please see: www.ebrd.com

Q: We know that the President of the EBRD was just here - what is the future lending strategy for Croatia?

The EBRD is currently reviewing its country strategy for Croatia. This is a regular process done every two years for each of the Bank's 27 countries of operations. In the coming period the EBRD wants to continue developing infrastructure operations, in particular aimed at small municipalities; support local companies in their regional expansion and support further investment and development of local operations; work with foreign investors and support investment initiatives to help develop a much needed *Mittelstand*; support the on-going privatization of utilities and other majority state-owned companies; further increase financial resources for small and medium-sized enterprises; and promote financing of the tourism sector.